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KNOBBE MARTENS OLSON & BEAR LLP
2040 MAIN STREET
FOURTEENTH FLOOR
IRVINE CA 92614

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OFFICE OF PETITIONS

In re Application of
Muys et al.
Application No. 10/618,464
Filed: July 11, 2003
For: LENS WITH OPTIMIZED HEAT TRANSFER
PROPERTIES

DECISION ON PETITION

This is a decision on the renewed petition under 37 CFR 1.137(b) filed March 21, 2007, requesting revival of the above-identified application.

The petition is dismissed.

Any request for reconsideration of this decision must be submitted within TWO (2) MONTHS from the mail date of this decision. Extensions of time (and fee) under 37 CFR 1.136(a) are permitted. The reconsideration request should include a cover letter entitled "Renewed Petition under 37 CFR 1.137(b)."

This application became abandoned for failure to reply to the Ex Parte Quayle action of July 27, 2004, which set an extendable shortened statutory period for reply of two (2) months. As no extensions of time were obtained under the provisions of 37 CFR 1.136(a), and no reply was filed, this application became abandoned at midnight on September 27, 2004. A Notice of Abandonment was mailed June 9, 2005.

WITH RESPECT TO THE PETITION TO REVIVE:

Petitioner, Lambda Research Optics (Lambda), the May 2005 successor in title to VDM Laser Optics N.V. (VDM) asserts the delay in prosecution was unintentional in that while VDM's foreign counsel, Mr. De Clercq, instructed former U.S. counsel to withhold a reply, Mr. Muys, as head of VDM, was unaware of and did not intend that this instruction given.

A grantable petition to revive an abandoned application under 37 CFR 1.137(b) must be accompanied by: (1) the required reply (unless previously filed), which may met by the filing of a continuing application in a nonprovisional application abandoned for failure to prosecute, but must be the payment of the issue fee or any outstanding balance thereof in an application or patent, abandoned or lapsed for failure to pay the issue fee or any portion thereof; (2) the petition fee required by 37 CFR 1.17(m); (3) an adequate statement that the entire delay in

filings the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 CFR 1.137(b) was unintentional; and (4) in some instances, a terminal disclaimer (and fee as set forth in 37 CFR 1.20(d)). This petition lacks item (3) above.

There are three periods to be considered during the evaluation of a petition under 37 CFR 1.137(b):

- (1) the delay in reply that originally resulted in the abandonment;
- (2) the delay in filing an initial petition pursuant to 37 CFR 1.137(b) to revive the application; and
- (3) the delay in filing a grantable petition pursuant to 37 CFR 1.137(b) to revive the application.

Currently, the delay has not been shown to the satisfaction of the Director to be unintentional for periods (1), (2).

As to Period (1):

The patent statute at 35 U.S.C. § 41(a)(7) authorizes the Director to revive an "unintentionally abandoned application." The legislative history of Public Law 97-247 reveals that the purpose of 35 U.S.C. § 41(a)(7) is to permit the Office to have more discretion than in 35 U.S.C. §§ 133 or 151 to revive abandoned applications in appropriate circumstances, but places a limit on this discretion, stating that "[u]nder this section a petition accompanied by either a fee of \$500 or a fee of \$50 would not be granted where the abandonment or the failure to pay the fee for issuing the patent was intentional as opposed to being unintentional or unavoidable." [emphasis added]. See H.R. Rep. No. 542, 97th Cong., 2d Sess. 6-7 (1982), reprinted in 1982 U.S.C.C.A.N. 770-71. The revival of an intentionally abandoned application is antithetical to the meaning and intent of the statute and regulation.

35 U.S.C. § 41(a)(7) authorizes the Commissioner to accept a petition "for the revival of an unintentionally abandoned application for a patent." As amended December 1, 1997, 37 CFR 1.137(b)(3) provides that a petition under 37 CFR 1.137(b) must be accompanied by a statement that the delay was unintentional, but provides that "[t]he Commissioner may require additional information where there is a question whether the delay was unintentional." Where, as here there is a question whether the initial delay was unintentional, the petitioner must meet the burden of establishing that the delay was unintentional within the meaning of 35 U.S.C. § 41(a)(7) and 37 CFR 1.137(b). See In re Application of G, 11 USPQ2d 1378, 1380 (Comm'r Pats. 1989); 37 CFR 1.137(b). Here in view of the inordinate delay in resuming prosecution, as well as the admission of U.S. counsel as memorialized in the Notice of Abandonment that this case was intentionally abandoned there is a question whether the entire delay was unintentional on the part of the party(s) having the right to reply to the outstanding Office action, as well as on the part of the intervening parties having ownership or control of this application. Petitioner should note that the issue is not whether some of the delay was unintentional by any party;

rather, the issue is whether the entire delay has been shown to the satisfaction of the Director to be unintentional.

The question under 37 CFR 1.137(b) for period (1) is whether the delay on the part of the party having the right or authority to reply to avoid abandonment (or not reply) was unintentional. When the issue of revival is addressed, the focus must be on the rights of the parties as of the time of abandonment. See Kim v. Quigg, 781 F. Supp. 1280, 1284, 12 USPQ2d 1604, 1607 (E.D. Va 1989). While Mr. Muys (CEO of VDM) asserts that he did not want De Clercq to order the abandonment, Mr. Muys is silent as to whether he or anyone else at VDM was aware of the outstanding Quayle action, and its deadline for reply. That omission requires clarification. Similarly for Mr. Vendamme, who is also represented as a CEO of VDM.

Accordingly, any renewed petition must also clearly identify the party(s) having the right to reply to avoid abandonment on September 27, 2004. That party(s), in turn must explain what effort(s) was made to reply to the outstanding Office action and further, why no reply was filed. If no effort was made to reply, then that party must explain why the delay in this application does not result from a deliberate course of action (or inaction).

Likewise, as registered practitioners from Knobbe Martens Olson & Bear ("KMOB") were counsel of record at the date of abandonment, KMOB should explain why this application became abandoned while it was under their control and what efforts KMOB made to reply of itself and with whom this matter was discussed outside of KMOB. Assuming, *arguendo*, that in accepting the instructions of De Clercq to the exclusion of seeking or accepting the input of the named inventors (Muys and Vendamme), or other persons at VDM¹, prior to intentionally withholding a reply to this application, KMOB overlooked any duty owed the inventors (or VDM) in this matter, then petitioner is reminded that the USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant. Link v. Wabash, 370 U.S. 626, 633-34; Irwin v. Department of Veterans Affairs, 498 U.S. 89, 93; Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987). Applicant (or, here, VDM) is likewise bound by the actions or inactions of his foreign counsel. See Gemveto Jewelry Co. v. Lambert Bros., Inc., 542 F. Supp. 933 at 943, 216 USPQ 976, at 985. (S.D.N.Y. 1982). It is also noted that the USPTO is not the proper forum for resolving a dispute between an applicant and his duly appointed representative(s) with respect to a failure to take a timely action before the USPTO. See Ray v. Lehman, 55 F.3d 606, 610, 34 USPQ2d 1786, 1789 (Fed. Cir. 1989).

Copies of any correspondence and internal and external memoranda relating to the filing, or to not filing a reply to the outstanding Quayle action are required from responsible person(s) at VDM, Mr. De Clercq and his firm, counsel at KMOB, and whoever else was involved with this

¹Inspection of the record of this file reveals that on filing the oath on December 11, 2003, Muys and Vendamme, as officers of VDM, had VDM intervene within the meaning of MPEP 324 and 37 CFR 3.73(b) to directly appoint the power of attorney to KMOB. See document entitled "Establishment of Right of Assignee to Take Action and Revocation and Power of Attorney" filed December 11, 2003.

application at the time of abandonment i.e., September 27, 2004. If VDM was unaware of the Quayle action or the abandonment, then VDM is required to list any steps diligently taken to ascertain the status and condition of this application. VDM must specifically indicate as to how the delay in discovering the Quayle action or abandoned status of this application occurred despite the exercise of due care or diligence on VDM's part. If VDM took no action with respect to either replying, ascertaining application status, or in seeking revival, VDM must so state.

Statements are required from any and all persons having firsthand knowledge of the circumstances surrounding the lack of a reply to the outstanding Office action. As the courts have made clear, it is pointless for the USPTO to revive a long abandoned--much less an apparently intentionally abandoned-- application without an adequate showing that the delay did not result from a deliberate course of action. See Lawman Armor v. Simon, 2005 U.S. Dist. LEXIS 10843, 74 USPQ2d 1633 (DC EMich 2005); Field Hybrids, LLC v. Toyota Motor Corp., 2005 U.S. Dist. LEXIS 1159 (D. Minn Jan. 27, 2005)(delay not unintentional where applicant and his counsel were aware of the deadline for reply to the outstanding Office action); New York University v. Autodesk, 466 F. Supp.2d 563, 2006 U.S. Dist. LEXIS 93105, (S.D.N.Y. 2006)(same); Lumenyte Int'l Corp. v. Cable Lite Corp., Nos. 96-1011, 96-1077, 1996 U.S. App. LEXIS 16400, 1996 WL 383927 (Fed. Cir. July 9, 1996)(unpublished)(patent held unenforceable due to a finding of inequitable conduct in submitting an inappropriate statement that the abandonment was unintentional); Aristocrat Technologies v. International Game Technology, 2007 U.S. Dist. LEXIS 42854 (N.D. CA 2007)(USPTO misapplication of the standards of revival overturned causing patent invalidation)

As to Period (2):

Likewise, where the applicant deliberately chooses not to seek or persist in seeking the revival of an abandoned application, or where the applicant deliberately chooses to delay seeking the revival of an abandoned application, the resulting delay in seeking revival of the abandoned application cannot be considered as "unintentional" within the meaning of 37 CFR 1.137(b). See MPEP 711.03(c).

The language of both 35 USC 41(a)(7) and 37 CFR 1.137(b) are clear and unambiguous, and furthermore, without qualification. That is, the delay in filing the reply during prosecution, as well as in filing the petition seeking revival, must have been, without qualification, "unintentional" for the reply to now be accepted on petition. The Office requires that the entire delay be at least unintentional as a prerequisite to revival of an abandoned application to prevent abuse and injury to the public. See H.R. Rep. No. 542, 97th Cong., 2d Sess. 7 (1982), reprinted in 1982 U.S.C.C.A.N. 771 ("[i]n order to prevent abuse and injury to the public the Commissioner . . . could require applicants to act promptly after becoming aware of the abandonment"). The December 1997 change to 37 CFR 1.137 did not create any new right to overcome an intentional delay in seeking revival, or in renewing an attempt at seeking revival, of an abandoned application. See Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. 53131, 53160 (October 10, 1997), 1203 Off. Gaz. Pat. Office 63, 87 (October 21, 1997), which clearly stated clear that any protracted delay (here, 2 years) could trigger, as here, a request for additional information. As the courts have since made clear, a protracted delay in seeking revival, as here, requires a petitioner's detailed explanation seeking to excuse the delay as opposed to USPTO acceptance of a general allegation of unintentional delay. See Lawman

Armor v. Simon, 2005 U.S. Dist. LEXIS 10843, 74 USPQ2d 1633, at 1637-8 (DC EMich 2005); Field Hybrids, LLC v. Toyota Motor Corp., 2005 U.S. Dist. LEXIS 1159 (D. Minn Jan. 27, 2005) at *21-*23. Statements are required from any and all persons then at KMOB, VDM and the responsible person(s) having firsthand knowledge of the circumstances surrounding the protracted delay, after the abandonment date, in seeking revival. Any party who was an owner, assignee or trustee (apparently Fernand de Vliegher), in the period from September 27, 2004 until , through February 5, 2007, is required to submit a statement as to the diligence in, or delay on, their part in seeking revival or even investigating the status of this application during each respective period of ownership or control.

Further, petitioner, as a putative successor in title to the currently unnamed party(s) having the right or authority to reply *vel non* is bound by any intentional delay arising from that party, as well as from any intervening parties. See Winkler v. Ladd, 221 F.Supp 550, 552, 138 USPQ 666, 668 (D.D.C. 1963); Kim v. Quigg, *supra*. That petitioner may have acted with dispatch after obtaining the rights to this abandoned application is immaterial to, and does not overcome, an intentional abandonment and/or any other delay attributable to that party, or intervening parties, such as e.g., the bankruptcy trustee. Kim, *supra*; Winkler, *supra*. Accordingly, the trustee in bankruptcy is required to state when and the manner in which he became aware of the abandonment of this application, and what steps he undertook to revive this application, or event to ascertain the status of this application. Copies of any correspondence, memoranda from the trustee, or between the trustee and any other party involving this application regarding its status, value to the estate, etc. are required. If the trustee was unaware of the abandoned status, then the trustee is required to list any steps diligently taken to ascertain the status and condition of this asset during the dates this asset was under his control. He must specifically indicate as to how the delay in discovering the abandoned status of this application occurred despite the exercise of due care or diligence on his part. If the trustee took no action with respect to either ascertaining its status or in seeking revival, he must so state.

Any renewed petition may be addressed as follows:

By mail: Mail Stop PETITIONS
Commissioner for Patents
Post Office Box 1450
Alexandria, VA 22313-1450

By hand: Customer Service Window
Randolph Building 401 Dulany Street
Alexandria, VA 22314:

By fax: (571) 273-8300
ATTN: Office of Petitions

Inquiries related to this decision may be made to the undersigned at (571) 272-3217.


Brian Hearn
Petitions Examiner
Office of Petitions